

## Report of the Interim Deputy Chief Executive

**CAPITAL BUDGET VARIATIONS 2018/19**1. Purpose of report

To seek approval for a number of capital budget variations in respect of the 2018/19 financial year.

2. Background

Examination of the approved capital programme for 2018/19 and available capital resources has identified an additional requirement as well as a scheme which is not likely to proceed as initially envisaged. In addition, there is now an opportunity to utilise the funding available from Section 106 ITPS funds on some specific schemes. The details are summarised in the following table:

| <u>No</u> | <u>Scheme</u>                                    | <u>Budget<br/>2018/19<br/>(£)</u> | <u>Revised<br/>Budget<br/>2018/19<br/>(£)</u> |
|-----------|--|-----------------------------------|---|
| 1         | Replacement Vehicles and Plant                   | 193,000                           | 223,000                                       |
| 2         | Bennerley Viaduct                                | 20,000                            | 0   |
| 3         | Additional Bus Shelters (Nuthall)                | 0                                 | 5,000   |
| 4         | Pedestrian Crossing – Hickings Lane (Stapleford) | 0                                 | 40,000  |
|           |  |                                   |   |
|           | <b>TOTAL</b>                                     | <b>1,020,300</b>                  | <b>1,286,900</b>                              |

Further details for each scheme are set out in appendix 1. The implications of these changes upon the planned financing of the 2018/19 capital programme are set out in appendix 2.

**Recommendation**

**The Committee is asked to RESOLVE that the capital budget variations for 2018/19 as set out above and in appendices 1 and 2 be approved.**

Background papers

Nil

## APPENDIX 1

1. Replacement Vehicles and Plant

The original capital programme 2018/19 approved by this committee on 15 February 2018 and Council on 7 March 2018 includes £193,000 for replacement vehicles and plant. This is intended to meet the cost of a replacement refuse collection vehicle at an estimated £168,000 as well as the refurbishment of an existing refuse vehicle with an anticipated cost of £25,000.

Nottinghamshire County Council have now indicated through their contractor (ViaEM) that the highway verge maintenance contract with Ashfield District Council, Mansfield District Council and Broxtowe Borough Council is to be extended for a minimum 2 years.

The contract utilises a wide range of grounds maintenance equipment including a Ransome triple mower incorporating traditional cylinder cutting technology. This machine is four years old and, due to its technological limitations and the increased period between cutting cycles, it is struggling with the increased density of the grass that it needs to handle. This is resulting in significant periods of downtime with an adverse impact upon productivity.

It is proposed that the machine be replaced whilst it still has a residual value. The cost of the replacement machine is estimated to be approximately £30,000 whilst the represent machine has an estimated value of around £7,500.

The planned financing of the 2018/19 capital programme assumes that the £193,000 for replacement vehicles and plant be met from prudential borrowing. It is proposed that the estimated £30,000 cost of the replacement triple mower also be met from prudential borrowing.

The level of financial reserves available to the Council indicates that the borrowing can potentially be financed from internal sources (subject to cash flow considerations). As returns on investments are currently lower than external borrowing rates, internal borrowing will be more cost effective than external borrowing at this point in time.

The anticipated capital receipt from the disposal of the existing triple mower will be used to assist with the overall financing of the 2018/19 capital programme.

2. Bennerley Viaduct

Finance and Resources Committee on 15 February 2018 agreed to carry forward from the 2017/18 capital programme to 2018/19 a contribution of £20,000 from Section 106 ITPS funds towards a larger scheme costing an estimated £1m to upgrade the grade II listed Bennerley Viaduct. The Council's contribution was intended to form part of a wider funding package involving a number of partners.

Sustrans have now withdrawn their support for the scheme and it is not now expected to proceed. This budget can now be removed and the Section 106 ITPS funds reallocated to other schemes that will be brought forward in due course.

**3. Additional Bus Shelters (Nuthall)**

Nottinghamshire County Council (NCC) have confirmed that they are prepared to fund the implementation of two additional bus shelters on the Rainbow 1 corridor in Nuthall. The shelters are at Edward Road and Maple Drive on Kimberley Road,

The total cost of the shelters is £10,000 and NCC have indicated that their proposal would be conditional upon Broxtowe Borough Council meeting 50% of the cost. The required sum of £5,000 could be met from available Section 106 ITPS funds.

**4. Pedestrian Crossing – Hickings Lane (Stapleford)**

A Section 106 ITPS contribution of £40,000 was received in March 2017 in respect of the McCarthy and Stone development in Stapleford. A condition of the Section 106 agreement was that this sum had to be used to meet the cost of a pedestrian crossing in the local area.

It is proposed that this sum be allocated towards a pedestrian crossing at the former Sinbad plant hire at Hickings Lane in Stapleford.

## APPENDIX 2

Planned Financing 2018/19 of Schemes in Appendix 1

| <u>Scheme</u>                                    | <u>Revised<br/>Budget<br/>(£)</u> | <u>Borrowing<br/>(£)</u> | <u>Capital<br/>Receipts<br/>(£)</u> | <u>Section 106<br/>(ITPS)<br/>(£)</u> | <u>External<br/>Grants<br/>(£)</u> |
|--|-----------------------------------|--------------------------|-------------------------------------|---------------------------------------|------------------------------------|
| Replacement Vehicles and Plant                   | 223,000                           | 223,000                  |                                     |                                       |                                    |
| Bennerley Viaduct                                | 0                                 |                          |                                     |                                       |                                    |
| Additional Bus Shelters (Nuthall)                | 5,000                             |                          |                                     | 5,000                                 |                                    |
| Pedestrian Crossing – Hickings Lane (Stapleford) | 40,000                            |                          |                                     | 40,000                                |                                    |
|  |                                   |                          |                                     |                                       |                                    |
|  |                                   |                          |                                     |                                       |                                    |
| <b>TOTAL</b>                                     | <b>268,000</b>                    | <b>223,000</b>           | <b>0</b>                            | <b>45,000</b>                         | <b>0</b>                           |